



An Coimisiún um
Rialáil Cumarsáide
Commission for
Communications Regulation

Emergency Call Answering Service

Call Handling Fee Review 2023

Non-Confidential

Consultation

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Chapter 1

1 Introduction

- 1.1 In Ireland, emergency services are called by dialling 999 or 112, and such calls are initially received by the Emergency Call Answering Service ("ECAS").
- 1.2 In accordance with relevant Irish legislation, emergency calls are free of charge to the caller¹ on all networks.
- 1.3 On 12 February 2018, the Minister for Communications, Climate Action and Environment² ("the Minister") awarded a contract to BT Communications Ireland Ltd ("BT") with respect to the ECAS. This contract known as "the Agreement" is between the two parties alone.
- 1.4 The ECAS is funded entirely through the Call Handling Fee ("CHF"). This is a fee payable by the presenting telephone network operator and/or the telephone call service provider whenever a customer on their network calls the ECAS.
- 1.5 ComReg is required³ to annually review the maximum CHF that may be charged by the ECAS operator.
- 1.6 The following table shows the CHF applicable in each year since the signing of the Agreement:

Period	CHF	Document
Up to 2020	€3.93	Agreement between the Minister and BT
2020/2021	€1.77	ComReg Document No. 20/03
2021/2022	€2.83	ComReg Document No. 21/02
2022/2023	€2.98	ComReg Document No. 22/01

¹ Regulation 93(1) of S.I. No. 444 of 2022 European Union (Electronic Communications Code) Regulations 2022

² The Department of Communications, Climate Action and Environment (DCCAE) became the Department of Environment, Climate and Communications (DECC) in September 2020.

³ Section 58(D)(I) of the Communications Regulation Act, 2002, as amended ("the Act")

2023/2024	€3.78	ComReg Document No. 23/05
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- 1.7 This consultation by ComReg concerns the maximum chargeable CHF applicable from 12 February 2024, the sixth anniversary of the date on which the Agreement was entered into, in accordance with Section 58D(1) of the Act. The contract is due to expire in November 2025.
- 1.8 The cost base of the ECAS has been assessed by ComReg for this purpose. During the review, an assessment was also undertaken of reasonable costs. ComReg has been assisted by its consultants, Analysys Mason, in carrying out its review (See ComReg Document 23/101a).
- 1.9 Based on detailed analysis of current monthly call volumes ComReg expects volumes to be c. 2.4m calls in the coming year. This represents an increase in call volumes on previous years which were c. 2.15m per annum. Underlying call volumes are driven by population increase and economic activity. However, there has been an unusual increase in call volumes within the review period which is discussed further in Chapter 4 and in the consultant's report.
- 1.10 Having concluded its analysis of reasonable costs and forecast call volumes, as set out below, ComReg proposes that the CHF to be applied from 12 February 2024 ("2024 CHF") will be €3.12. This proposed CHF will run to 11 February 2025.
- 1.11 The proposed CHF of €3.12 represents a decrease on last year and is also below the original CHF of €3.93 contained in the Agreement.
- 1.12 ComReg is required to complete its review by 12 December 2023. If, by that date, it appears that the expected rate of annual call volumes will differ from the current forecast of 2.4m calls ComReg may further adjust the CHF calculation accordingly.
- 1.13 ComReg may publish responses to this consultation in due course in accordance with its policy. Respondents are therefore asked to provide confidential and non-confidential versions of any document in respect of which any confidentiality is claimed (e.g. commercially sensitive information). In this respect, please see ComReg's Consultation Procedures (ComReg 11/34) and Guidelines on the Treatment of Confidential Information (ComReg 05/24).

Chapter 2

2 Movement in the proposed CHF

2.1 The following are the significant movements in the proposed CHF.

2023 CHF	€3.78
Increase in call volumes	€ X
Refund of Sinking Fund contribution	€ X
Increase in operating costs	€ X
2024 CHF	€3.12

2.1 Increase in call volumes

2.2 In late 2022 / early 2023 a significant increase in call volumes was noted. ComReg understands that the increase in ECAS call volumes has been caused by a software issue on certain Android phones⁴ and that updates have been developed by manufacturers to address this. ComReg further notes that this issue is not unique to Ireland and has been seen in other jurisdictions and that this issue has now been largely addressed.

2.3 While volumes are discussed further in Chapter 4 c. 300,000 additional calls were received by the ECAS over the level forecast in the 2022 review. This resulted in additional revenue being received by the ECAS. This has reduced the CHF by €~~X~~.

2.2 Refund of Sinking Fund contribution

2.4 The Department of Environment, Climate and Communicates (“DECC”) has agreed to release €~~X~~ from the Sinking Fund as a deduction from the cost of running the ECAS in 2024/2025.

2.5 Sinking Fund contributions in prior periods were:

- 2020/2021 - €~~X~~
- 2021/2022 - €~~X~~

⁴ <https://eena.org/knowledge-hub/news/false-calls-originating-from-android-devices-acknowledged-by-handset-operators/>

- 2022/2023 - €Nil
- 2023/2024 - €Nil

2.6 This reduces the CHF by €~~X~~.

2.3 Increase in operating costs

2.7 As discussed in Section 3 ComReg has conducted a reasonable cost review the outcome of which is reflected in the CHF. The impact of the increase in operating costs is to increase the CHF by €~~X~~.

2.3.2 Impact on cost recovery model

2.8 The ECAS is largely a fixed cost entity. The capital infrastructure and many of the operating costs are fixed in nature and have been implemented in accordance with the Agreement. While the number of call centre operators required might be expected to rise because of the sharp increase in the volume of calls, the ECAS has adhered to the Key Performance Indicators without such a significant increase. Thus the increased call volumes did not significantly increase running costs.

2.9 The increase in call volumes together with the Sinking Fund contribution exert downward pressure on the CHF.

2.10 The Sinking Fund contribution is being scheduled over one year and is at the discretion of the Department. It results in a lower CHF for the period. Without further Sinking Fund contributions in future periods the CHF may rise.

2.4 Monitoring Costs

2.11 ComReg can confirm that its monitoring costs⁵ associated with the carrying out of this review are not, at this time, being recovered through the CHF.

⁵ Section 58 (E) of the Act

Chapter 3

3 Reasonable Costs

3.1 As part of this review ComReg has reviewed the costs incurred by BT under the Agreement to determine whether or not they could be considered reasonable. In conducting its review ComReg, with the support of its advisors Analysys Mason, has had extensive interaction with BT.

3.2 As in previous years, ComReg has visited the two call centres in Ballyshannon and Navan. In addition it visited the standby facility in Clonshaugh.

3.1 Comparison of 2024 CHF costs with 2023 CHF costs

3.3 ComReg has compared the ongoing costs as estimated by BT to the end of the Agreement compared to the costs from the 2023 CHF review. The variances are discussed in further detail below.

Cost Categories	€'000
2023 CHF review – Ongoing costs ⁶	€3<
Salary costs	€3<
Premises	€3<
Network services	€3<
Other cost categories	€3<
Total cost movement	€3<
2024 CHF review - Ongoing costs	€3<

3.4 Total costs, including depreciation, of the ECAS from the 2024 CHF review are expected to be €3< for the length of the Agreement compared to costs in the 2023 CHF review of €3<. This represents an increase of c. €3< on the prior review.

3.5 These movements are discussed below.

⁶ Including depreciation

3.1.1 Salary costs (increase) €~~X~~

3.6 There has been an increase in salary costs between the 2023 CHF and the 2024 CHF. Since the previous review some additional payments have been made to call centre staff. These include cost of living adjustments and certain payments reflecting issues that have arisen from increases in call volumes and the impact on key performance indicators.

3.7 While reduced calls per annum are forecast for the coming period, this will not have a linear relationship with staffing requirements as the ECAS is required to maintain certain minimum staffing levels regardless of call volumes.

3.1.2 Premises (increase) €~~X~~

3.8 There has been a slight increase in premises costs. This mainly arises from urgent roof repairs in the Navan call centre and generator maintenance in the Ballyshannon call centre.

3.1.3 Network costs (decrease) €~~X~~

3.9 Network costs have decreased marginally with the realignment of some backhaul circuits in the Ballyshannon call centre.

3.1.4 All other costs (increase) €~~X~~

3.10 There has been a minor increase in all other cost categories.

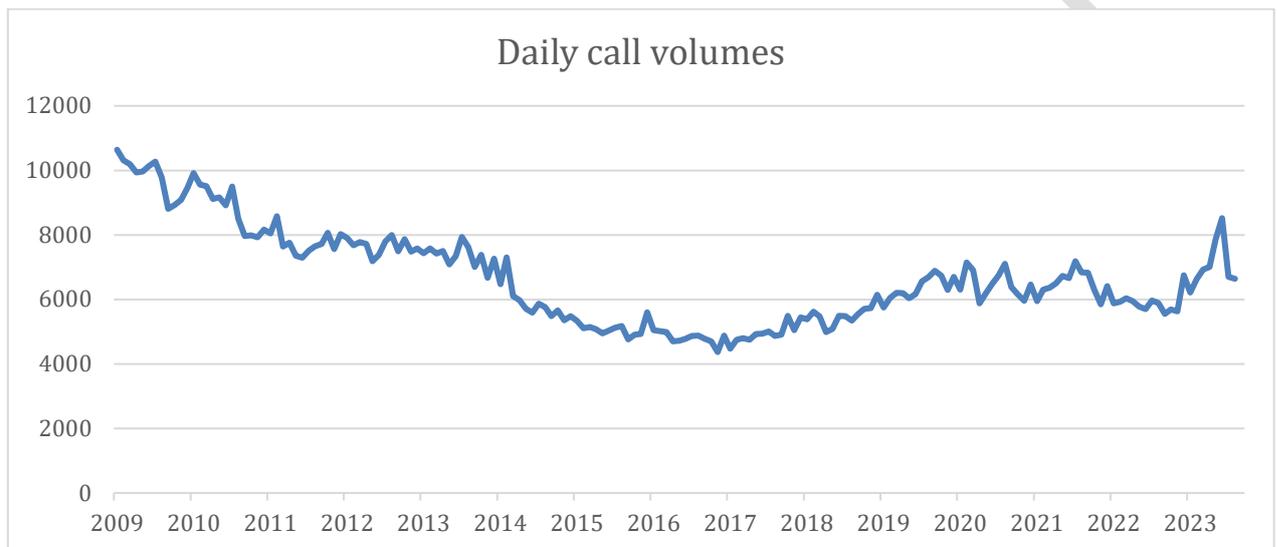
3.11 ComReg is of the preliminary view that the costs incurred by the ECAS are reasonable.

Chapter 4

4 Volumes

4.1 As discussed above, annual volumes to September 2023 are currently c. 2.4m per annum, and the movement in actual calls is reflected in Figure 1 below:

Figure 1: ECAS monthly call volumes July 2010 to September 2023



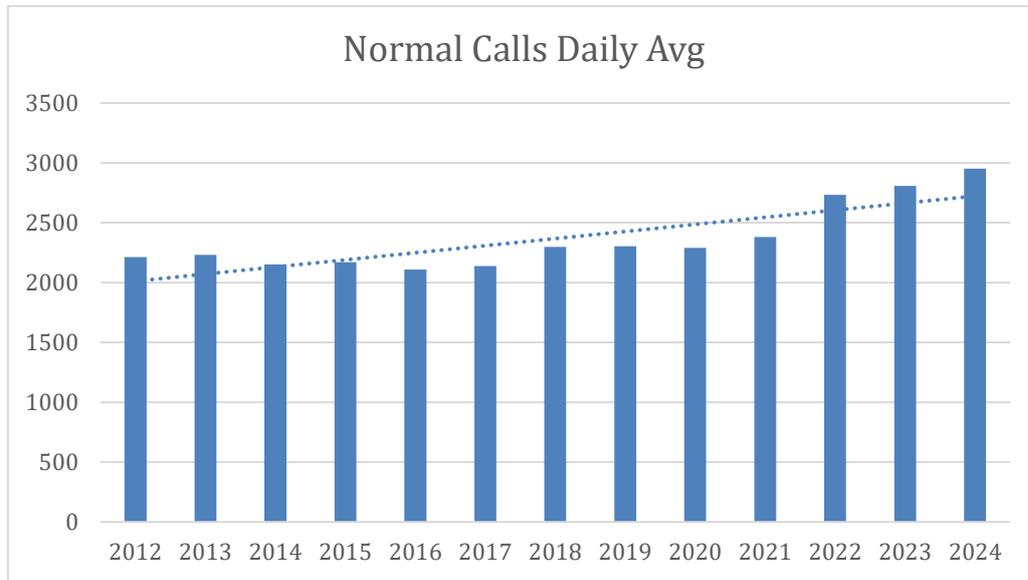
Source: BT

4.2 This includes all call categories:

- Normal – calls are connected to an emergency service.
- Noisy – calls are generated from technical faults, mainly on fixed line networks.
- Abandoned – calls of an extremely short duration to the extent that the call operator does not have time to interact with the call.
- Silent – Calls, while reaching an operator, have often been dialled in error. Examples of this are pocket dials or more recently the issue referred to in paragraph 2.2.
- Other – this covers several categories such as children playing or test calls.

4.3 The following are graphical representations of these categories since 2012 and their projection to 2024.

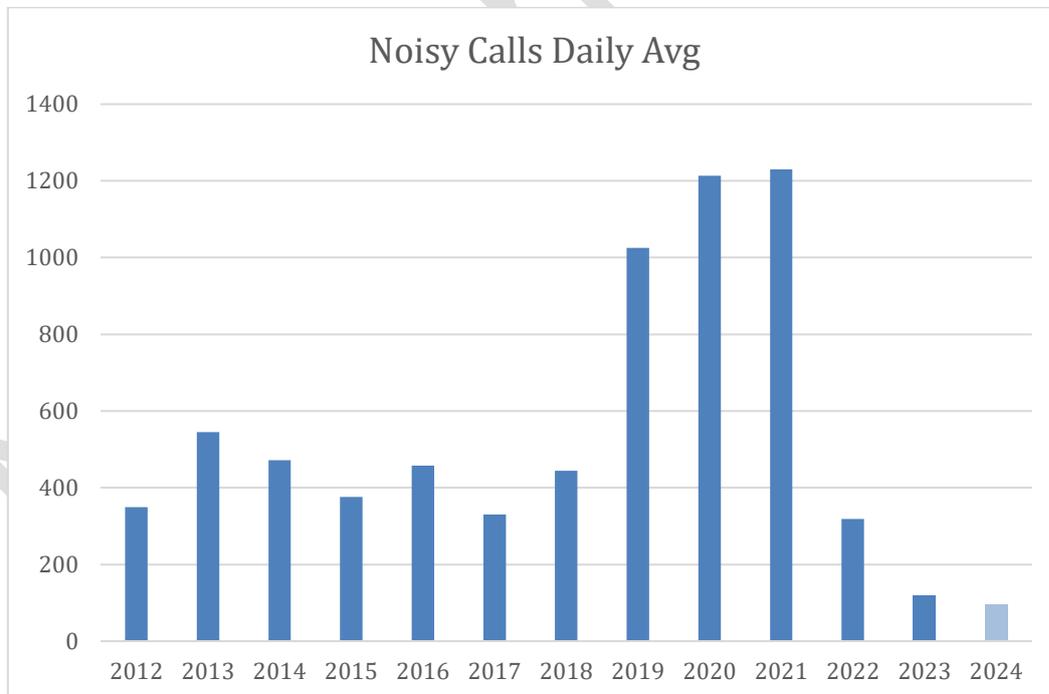
Figure 2: Normal calls



Source: BT

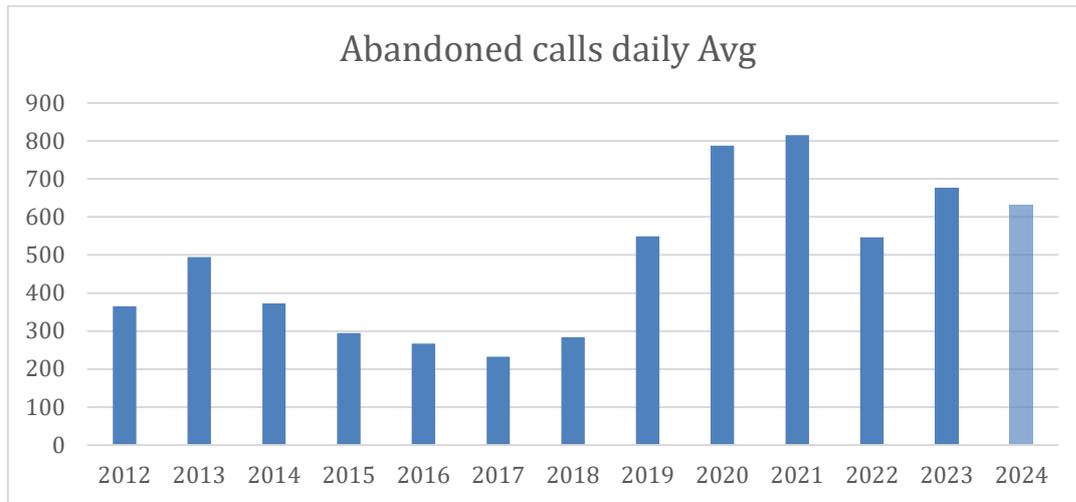
4.4 Normal calls have shown a general upward trend in line with economic activity and population growth.

Figure 3: Noisy calls



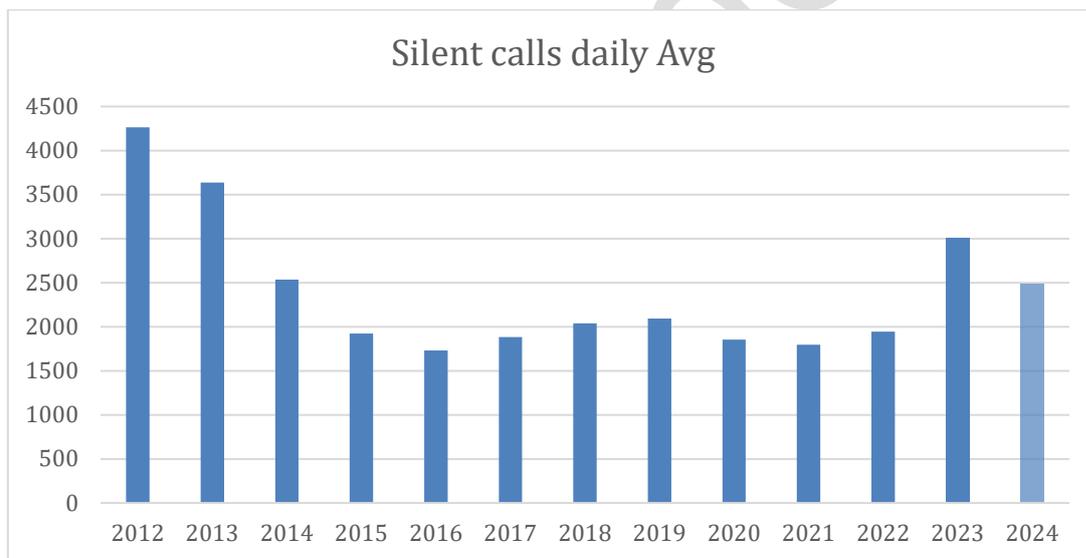
4.5 ComReg understands that the reduction in noisy calls is as a result of Copper Switch Off.

Figure 4: Abandoned calls



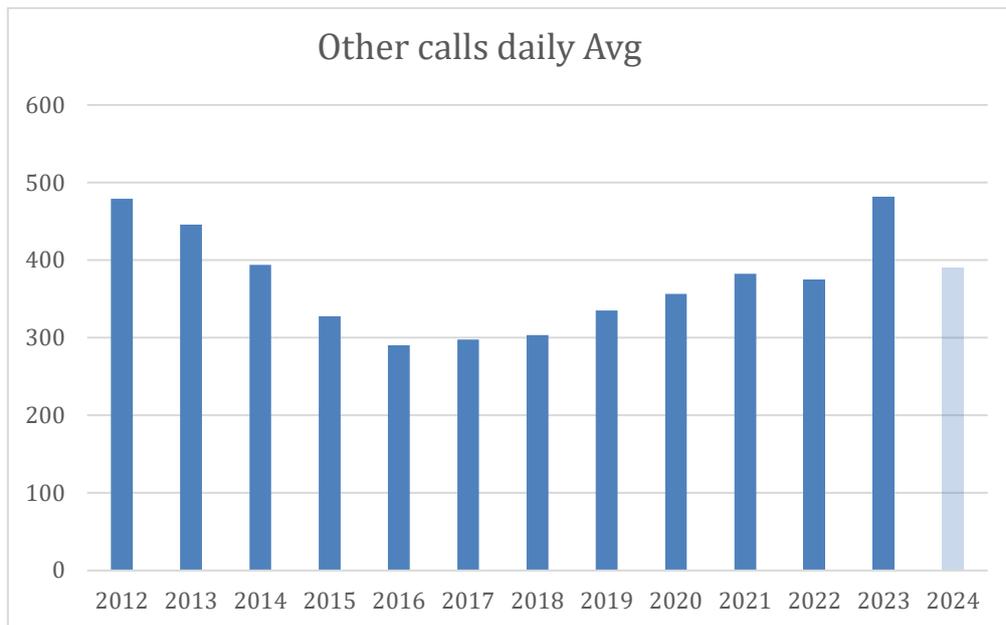
4.6 Abandoned calls tend to reflect the overall number of calls presented to the ECAS.

Figure 5: Silent calls



4.7 Silent calls tend to correlate with normal calls, although there was a significant increase in 2023 associated with the software issue on certain handsets.

Figure 6: Other calls



4.8 Other calls also tend to correlate with normal calls.

4.9 Figure 7: Comparison between 2022/2023 actuals and 2023/2024 forecast

Sept 22 - Sept 23			Forecast 2024			
Classification	Daily volume	Yearly Volume	Classification	Daily volume	Change	Yearly Volume
Normal calls	2,827	1,031,794	Normal calls	2,950	4.4%	1,079,700
Noisy	152	55,298	Noisy	95	-37.3%	34,770
Abandoned	626	228,642	Abandoned	630	0.6%	230,580
Silent	2,660	970,809	Silent	2,490	-6.4%	911,340
Other	441	160,965	Other	390	-11.6%	142,740
	Daily	Yearly		Daily		Yearly
	6,706	2,447,508		6,555	-2.2%	2,399,130

4.10 ComReg is of the preliminary view that annual call volumes will be c. 2.4m per annum. In summary and as noted above there have been movements between 2022/2023 and the forecast for 2023/2024:

- Normal – increase due to population growth and economic activity.
- Noisy – decline in faults on fixed line networks.
- Abandoned – comparable to normal calls.
- Silent – while also comparable to normal calls has had some fluctuation with recent software issues.
- Other – generally comparable to normal calls but as the level is quite low minor variances can be amplified.

4.11 ComReg publishes regular information notices on ECAS call volumes. Figure 8 below (which is taken from ComReg Information Notice No. 23/70) shows the

differences in monthly call volumes between January 2023 and June 2023 when compared to the same period in 2022.

Figure 8: Call volumes January 2023 to June 2023 v January 2022 to June 2022

	2023	2022	difference	% difference
January	192,714	182,302	10,412	5.7%
February	185,739	165,987	19,752	11.9%
March	214,741	187,170	27,571	14.7%
April	210,088	178,409	31,679	17.8%
May	243,886	179,300	64,586	36.0%
June	255,604	171,059	84,545	49.4%
January to June Total	1,302,772	1,064,227	238,545	22.6%

Source: BT

4.12 Call volumes for July to September 2023 compared to July to September 2022 were:

Figure 9: Call volumes July to September 2023 v July to September 2022

	2023	2022	Difference	% Difference
July	207,563	184,915	22,648	12.2%
August	205,960	182,417	23,543	12.9%
September	195,488	166,493	28995	17.4%
July to September Total	609,011	534,825	75,186	14.1%

Source: BT

4.13 Given the unpredictability of call volumes (and their bursty nature) there can be significant variations month-on-month. BT, through its analysis of the different call types, has predicted that there will be annual call volumes of c. 2,400,000 for the 2024 CHF. This is an increase of c. 250,000 forecast calls per annum from ComReg

Document No. 23/05. This increase excludes the impact of the software issue associated with silent calls and instead reflects a general increase due to economic factors and population growth.

- 4.14 ComReg is of the preliminary view that it is prudent to reduce the forecast call volume to 2,400,000 calls for the 2024 CHF and beyond.
- 4.15 ComReg welcomes the views of respondents regarding volume predictions.

Q. 1 Please provide any comments you may have in relation to forecast call volumes for the 2024 CHF. Please provide detailed reasoning and accompanying calculations (where appropriate) supporting your submission.

Q. 2 Are there any matters which you wish to raise as part of this review? Please provide detailed reasoning and accompanying calculations (where appropriate) supporting your submission.

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Chapter 5

5 Draft Decision Instrument

5.1 Definitions

5.1 In this determination:

"*the Act*" means the Communications Regulation Act 2002(as amended);

"*the Commission*" means the Commission for Communications Regulation established under section 6 of the Act;

"*emergency call*" has the same meaning as in section 58A of the Act; and

"*the emergency provider*" means BT Communications Ireland Limited.

5.2 Determination

5.2 The Commission makes this determination:

- In exercise of its powers under section 58D (2) of the Act;
- Pursuant to the review conducted by it under section 58D (1) of the Act;
- Having had due regard to section 58D (3) of the Act;
- Pursuant to Commission Document No. 23/XX and Commission Document No. 23/XXa;
- Having duly taken account of the responses received to Commission Document No. 23/XX and Commission Document No. 23/XXa; and
- Having regard to the reasoning and analysis conducted by the Commission and set out in this response to consultation and determination.

5.3 The Commission hereby determines that for the period from 12 February 2024 to 11 February 2025 the maximum permitted call handling fee that the emergency provider may charge to entities who forward emergency calls to it for handling such a call shall be €X.XX.

5.4 This determination is effective from the date of the publication of this response to consultation and determination.

Q. 3 Do you agree or disagree with the wording of ComReg's Draft Determination? Please provide detailed reasoning for your views.

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Chapter 6

6 Submitting Comments

- 6.1 The consultation period will run from 24 October 2023 to 23 November 2023, during which ComReg welcomes written comments. It is requested that comments be cross-referenced to the relevant question numbers from this document.
- 6.2 Responses must be submitted in written form (post or email) to the following address/email and clearly marked "Submission to ComReg 23/101":
- Commission for Communication Regulation
One Dockland Central
1 Guild Street
North Dock
Dublin 1
D01 E4XO
Ireland
- Email: retailconsult@comreg.ie
- 6.3 Having analysed and considered the comments received, ComReg may publish a response to consultation and decision in January 2024.
- 6.4 In order to promote further openness and transparency, ComReg will publish respondents' submissions to this consultation. However, ComReg must strictly maintain the confidentiality of any information provided to it in confidence. Electronic submissions should be submitted in an unprotected format so that they can be appended into the ComReg submissions document for publishing electronically.

Legal Basis

- A 1.1 Section 58 (A) - 58 (H) of the Communications Regulation Act 2002 (as inserted by section 16 of the Communications Regulation (Amendment) Act 2007) provides generally for the establishment of the ECAS and associated matters. Section 58 (D) obliges and empowers ComReg to review and determine the maximum permitted CHF on an annual basis.

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Questions

Q. 1 Please provide any comments you may have in relation to forecast call volumes for the 2024 CHF. Please provide detailed reasoning and accompanying calculations (where appropriate) supporting your submission.

Q. 2 Are there any matters which you wish to raise as part of this review? Please provide detailed reasoning and accompanying calculations (where appropriate) supporting your submission.

Q. 3 Do you agree or disagree with the wording of ComReg's Draft Determination? Please provide detailed reasoning for your views.

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